



State of New Jersey

Chris Christie
Governor

Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
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Director

August 21, 2012

Lynne Levin Kaufmann, Esq.
Cooper Levenson
1125 Atlantic Avenue
Atlantic City, NJ 08401

RE: Revel Entertainment Group, LLC and Revel AC, Inc. - Request to Approve
Material Debt Transaction (PRN 2341201)

Dear Ms. Kaufman:

By PRN 2341201 filed on August 21, 2012, Revel Entertainment Group, LLC (REG) and Revel AC, Inc. (Revel AC, and collectively with REG, Revel or Petitioners) request approval for a material debt transaction (Transaction) in order for Revel to execute a \$100 million Revolving Credit Facility which will amend the current \$50 million Revolving Credit Facility. You have represented in the petition that the proposed Transaction will not adversely affect the financial stability of Revel.

On March 26, 2012, the Casino Control Commission (Commission) granted casino licensure to Revel Entertainment Group, LLC (REG) and qualified holding company Revel AC. See Resolution No. 12-03-26-05 (Resolution). The Findings and Rulings in the Resolution included a ruling that based on the hearing record and the casino licensing report issued by the Division, REG and its holding companies had demonstrated their financial stability, integrity and responsibility. As part of the hearing record and as relied upon in the financial analysis section of the Division's March 19, 2012 casino licensing report to the Commission, Revel expected to obtain a \$50 million Revolving Credit Facility (Existing Facility) as a source of flexibility in the event of operating shortfalls from Revel's forecasts.



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On May 3, 2012, Revel executed an amendment to its Credit Agreement to allow for the \$50 million Existing Facility. Of the available Existing Facility, Revel obtained commitments of \$30 million to date. As operating results have been below expectations, Revel seeks to improve its short-term liquidity by further amending the Existing Facility to a \$100 million Revolving Credit Facility (Amended Facility).

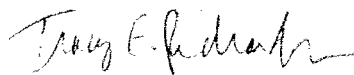
The Amended Facility will replace the Existing Facility but continue the amount borrowed through August 21, 2012 of \$25.8 million under the Amended Facility terms, which are essentially the same as the Existing Facility with the following notable exceptions: a 4.5 percentage point increase in the interest rate, upward adjustments to the commitment fees and the inclusion of an interest rate floor. Given Revel's need to increase its financial flexibility and its initial difficulties achieving forecasted financial results, the Division finds the interest rate increase, commitment fee increase and the establishment of an interest rate floor to be expected. The Amended Facility will supply a present \$74.2 million increase in liquidity which will provide Revel with flexibility over the coming months while it continues its efforts to improve operating results and minimize cash shortfalls.

In conclusion, based upon the information provided in the petition and the financial information submitted to the Division's Office of Financial Investigations, the Division approves the Transaction pursuant to *N.J.A.C. 13:69C-4.3(a)*, subject to the following conditions as well as Revel's continued compliance with the financial reporting requirements currently governing it:

1. Revel shall file executed copies of all final documents with the Division within 10 days of consummation of the approved Transaction.
2. Revel shall immediately notify the Division in writing in the event of any material changes to the Transaction as described in PRN 2341201 or as set forth in this approval.

Please note that this writing is not effective without an accompanying Order approving the Transaction signed by the Director. The Division also will continue its ongoing monitoring of Revel's financial situation and construction cost overruns.

Sincerely,



Tracy E. Richardson
Deputy Attorney General